



SCHOOL BOARD ACTION REPORT

DATE: October 14, 2020
FROM: Ms. Denise Juneau, Superintendent
LEAD STAFF: Fred Podesta, Chief Operations Officer
206-252-0102, fhpodesta@seattleschools.org

For Introduction: November 18, 2020
For Action: December 2, 2020

1. TITLE

BEX V: Resolution 2020/21-15: Approval of General Contractor/Construction Manager (GC/CM) Delivery Method and Award General Contractor/Construction Manager (GC/CM) Contract P5153 to Lydig Construction, Inc., for the Lincoln High School Phase 2 project

2. PURPOSE

The purpose of this action is to approve Lydig Construction, Inc., as the General Contractor/Construction Manager (GC/CM) for the Lincoln High School Phase 2 project, and to approve Resolution 2020/21-15 certifying that the district intends to comply with RCW 39.10. School Board approval of the negotiated total contract cost is required as part of the Superintendent of Public Instruction (OSPI) D-Form process to receive state funding assistance.

3. RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to utilize the GC/CM alternative construction delivery method on the Lincoln High School Phase 2 project and award of contract P5153 to be authorized to Lydig Construction, Inc. This action authorizes the GC/CM Contractor to immediately provide pre-construction services for an amount not to exceed \$243,340, plus Washington State sales tax, and approve Resolution 2020/21-15 certifying that the district intends to comply with RCW 39.10. This action also authorizes the Superintendent to negotiate and execute a contract amendment, with any minor additions, deletions, modifications and actions deemed necessary for the Guaranteed Maximum Price (GMP) as defined by the RCW 39.10.370 for not to exceed amount of \$21,200,000 which includes the pre-construction services allowance, Specified General Conditions, Negotiated Support Services Allowance, the Maximum Allowable Construction Cost (MACC) including subcontractor bonds, the MACC Contingency, and the GC/CM fee, no earlier than completion of 90% construction documents unless otherwise agreed to by both parties. The GMP excludes Washington State sales tax.

4. BACKGROUND INFORMATION

a. Background

The Lincoln High School Phase 2 project, located at 4400 Interlake Avenue North, is funded through the BEX V capital levy passed by the voters in February 2019. The levy timeline includes that this project will be completed for the 2022 school year.

The scope of work for this project includes earthquake (seismic) safety improvements, theater improvements, as well as career and technical education improvements.

This motion allows the district to execute a GC/CM construction contract with Lydig Construction, Inc., who was selected as the most qualified, responsive and responsible bidder.

The Lincoln High School Phase 2 project buildings (east buildings on the campus) were constructed in 1959. Prior improvements that have been made at Lincoln High School since the year 2000 include the 2017 Lincoln High School Modernization project which primarily focused on the west campus buildings, the Phase 2 project will focus on the east buildings.

Background on GC/CM Procurement

The State of Washington allows public agencies to utilize alternative public works contracting methods including the GC/CM delivery model. Using GC/CM allows the district to select a contractor on factors other than low price such as relevant experience and project specific qualifications. This allows the GC/CM to join the project team during early design to provide expertise in construction phase planning, means and methods, constructability, sequencing, scheduling, site logistics, and cost estimating. These contributions are welcomed by the project team to collectively manage this complex capacity addition project.

Seattle Public Schools has used GC/CM delivery on several complex projects in recent years, including Northgate Elementary School Replacement, Daniel Bagley Elementary School, Webster School, Loyal Heights Elementary School, Robert Eagle Staff Middle School, Licton Springs K-8, Cascadia Elementary School and Olympic Hills Elementary Schools, Denny Middle School/Chief Sealth high School, Nathan Hale, Garfield, Cleveland, Roosevelt High Schools, and Lincoln High School - Phase 1. This type of procurement has been found to reduce risk to the district by early involvement of the contractor during the design phase where decisions on design are informed by construction methods, materials, coordination, and sequencing.

The likely benefits from using GC/CM on the Lincoln High School Phase 2 project are considerable. Selection of the GC/CM firm was largely based on qualifications and experience relevant to the specific nature and challenges of the project. The criteria includes: past performance on completing projects of similar size, scope and complexity; the ability of the GC/CM team to control the project schedule and complete the project within budget and on a tight timeline; and past experience of the GC/CM firm with projects involving complex construction phasing, with construction at a fully-occupied site, with potential historic preservation controls, and in residential neighborhoods. Other benefits:

- The GC/CM acts as an advocate of the Owner, unlike a low-bid delivery method.
- Top tier contractors competed for this project because this will not be a low bid, thus carrying a higher likelihood of quality assurance and timely completion.
- The GC/CM selection was also based on a competitively bid fee and specified general conditions (general contractor's staffing).
- Through pre-construction involvement, the GC/CM will understand the work long before bidding.
- The GC/CM will participate in setting the schedule, packaging the scope to fit the

marketplace, and realistically set expectations before work is procured in order to successfully deliver on value.

- The GC/CM participates actively in ongoing constructability reviews throughout the design process, resulting in cost-effective and value-based solutions which the project team welcomes.
- Open book cost accounting of the work brings transparency to actual value of work to be constructed.
- Phasing of bid buy-out and flexibility to adjust bid packages as the work is bought out allows for cost management by the Owner and GC/CM team.

On March 26, 2020, the Lincoln High School Phase 2 project was presented to the State Capital Projects Advisory Review Board Project Review Committee (CPARB-PRC) which authorizes the use of alternative delivery methods for public agencies. A unanimous vote of the CPARB-PRC approved the use of GC/CM for this project based largely on meeting the following criteria and qualifications:

- Project complexity, including complex phasing, tight fixed schedule, complex coordination, potential historic landmark controls, and occupied site.
- Complex technical work environment, including site constraints, complex and involved regulatory processes, retrofit and connection to potentially designated landmark structures and surrounding residential neighborhood.
- The Owner has strong history of building capital projects.
- The specific project team has strong GC/CM experience and successful project records.

The GC/CM procurement process requires three steps: Step 1: Submission of Qualifications and Experience; Step 2: resumes, references and interviews of project team; and Step 3: bid on GC/CM fee percentage of estimated construction costs and bid on Specified General Conditions outlined in the contract documents. The project was publicly advertised on May 12, 2020 and May 21, 2020. A total of six GC/CM firms submitted written qualifications on June 12, 2020. A selection committee of five professionals with members from the Capital Projects and Planning department, the Facilities Operation department and construction manager each evaluated the GC/CM qualifications submittals and ranked the firms. Three firms were selected by the panel to be shortlisted for interviews. Interviews were conducted on July 30, 2020 by an expanded nine-member selection panel and after evaluation by the selection committee, finalists were selected to submit priced proposals. Sealed proposals were received August 14, 2020. The scores were totaled from each of the three steps and Lydig Construction, Inc., was the highest scoring firm.

Lydig Construction, Inc., is aware Seattle Public Schools is entering into a Student and Community Workforce Agreement (SCWA) and that Seattle Public Schools formed a Student and Community Workforce Agreement Task Force, charged with examining and making recommendations to the board regarding a Student and Community Workforce Agreement. On September 23, 2020 the board adopted the policy to implement the SCWA on projects with project budgets anticipated in excess of \$5,000,000. Therefore, Lydig Construction, Inc. will incorporate the SCWA into the self-performed and sub-contractor bid packages during the bidding process for the GC/CM project. This will be implemented prior to final GMP with Lydig Construction, Inc.

b. Alternatives

Deny Motion. If motion is denied, the district as a public agency will be required to procure a general contractor for construction via lowest price bidding. The benefits described in section a. above would not be available on this project.

c. Research

[Capital Projects Advisory Board \(CPARB\).](#)

[RCW Chapter 39.10.340:](#) Alternative Public Works Contracting Procedures.

RCW Chapter 39.10: Under certain circumstances, alternative public works contracting procedures may best serve the public interest if such procedures are implemented in an open and fair process based on objective and equitable criteria.

RCW Chapter 39.10.280: A public body not certified under RCW 39.10.270 must apply for approval from the committee to use the design-build or general contractor/construction manager procedure on a project. A public body seeking approval must submit to the committee an application in a format and manner as prescribed by the committee. The application must include a description of the public body’s qualifications, a description of the project, and its intended use of alternative contracting procedures.

RCW 39.10.340: Subject to the process in RCW 39.10.270 or 39.10.280, public bodies may utilize the general contractor/construction manager procedure for public works projects where:

- (1) Implementation of the project involves complex scheduling, phasing, or coordination;
- (2) The involvement of the general contractor/construction manager during the design stage is critical to the success of the project;
- (3) The project encompasses a complex or technical work environment; or the project requires specialized work on a building that has historic significance

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will not exceed \$21,200,000, including \$243,240 for Preconstruction Services, plus Washington State sales tax. Board approval of the GMP is required as part of the process to receive state funding assistance of up to \$1,108,759. The total project budget, of which the construction contract is one part, is \$28,968,384.

The revenue source for this motion is from the BEX V Capital Levy.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District’s Community Engagement tool, this action was determined to merit the following tier of community engagement:

- Not applicable
- Tier 1: Inform
- Tier 2: Consult/Involve
- Tier 3: Collaborate

The selection of projects in the BEX V program went through an extensive community vetting process and ultimately received 73% approval from voters in February 2019.

Moving forward there are several additional steps at which public input will be received including a State Environmental Policy Act (SEPA) checklist process, potentially the City’s Master Use Permit (MUP) process, and potentially the City’s historic landmarks review designation and controls process. Each of these processes include public meetings and/or comment periods.

7. EQUITY ANALYSIS

The district’s Racial Equity Analysis toolkit was utilized to guide the planning process for the BEX V Capital Levy, influencing community engagement methods, preparation of the 2018 update to the Facilities Master Plan, and ultimately the final proposed levy package. The board’s guiding principles stated that racial and educational equity should be an overarching principle for the BEX V Capital Levy planning efforts in accordance with Board Policy 0030, Ensuring Educational and Racial Equity. Projects identified for inclusion in the BEX V Capital Levy will ultimately improve conditions for all students in the affected schools. Improved building conditions create a better environment for learning and can position students for academic success.

8. STUDENT BENEFIT

The Lincoln High School Phase 2 project will incorporate guidelines and requirements set forth in the Seattle Public Schools Educational Specifications and the School Design Advisory Team (SDAT) process and will provide students with safe and secure school buildings.

9. WHY BOARD ACTION IS NECESSARY

- Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)
- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy

Formally accepting the completion of a public works project and closing out the contract

Legal requirement for the School Board to take action on this matter

Board Policy No. _____,

Other: The Office of Superintendent of Public Instruction (OSPI) Form D-5 Application for Preliminary Funding Status requires the applicant School District's board approval to use alternative Public Works contracting for construction of the subject project.

10. POLICY IMPLICATION

Per Board Policy No. 6220, Procurement, any contract over \$250,000 must be brought before the Board for approval.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on November 5, 2020. The Committee reviewed the motion and moved the item forward with a recommendation for approval by the full board.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, a Notice to Proceed will be issued to the selected GC/CM.

Timeline Summary:

- Start of preconstruction services – Fall 2020
- Completion of preconstruction services – Summer 2020
- Bidding/Total Contract Cost negotiation period – Spring 2021
- Start of construction – Summer 2021
- Substantial Completion – August 2022
- School opening – September 2022

13. ATTACHMENTS

- Resolution 2020/21-15 (for approval)
- Contract P5153 (for reference) (available upon request in the Capital Projects & Planning department), 206-252-0635)
- GC/CM Selection Results Memo (for reference) (available upon request from the Capital Projects & Planning department, 206-252-0635)
- CPARB Approval Letter (for reference) (available upon request from the Capital Projects & Planning department, 206-252-0635)

**Seattle School District #1
Board Resolution**



Resolution No. 2020/2021-15

A RESOLUTION of the Board of Directors of Seattle School District No. 1, King County, Seattle, Washington, certifying that the District intends to comply with the RCW 39.10 for the use of the Alternative Public Works Contracting Procedures or General Contractor Construction Manager (GC/CM) Delivery method on the Lincoln High School Phase 2 project as required by Office of Superintendent of Public Instruction (OSPI) D-5 Application.

WHEREAS, it has been determined that the Lincoln High School Phase 2 project meets at least one of the RCW 39.10.270 requirements; and

WHEREAS, the Capital Projects Advisory Review Board (CPARB) Project Review Committee has reviewed and approved the use of alternative delivery method; and

WHEREAS, this resolution ensures the responsiveness of the District to OSPI, as required on the D-5 application;

NOW THEREFORE, BE IT RESOLVED, that the Seattle School Board of Directors approves use of a GC/CM delivery method for the Lincoln High School Phase 2 project in accordance with the OSPI provisions in the D-5 application and certifies that it will comply with the RCW 39.10 requirements.

RESOLVED, that duly certified copies of this resolution shall be presented to OSPI .

ADOPTED this 2nd day of December, 2020

Zachary DeWolf, President

Chandra N. Hampson, Vice President

Leslie Harris, Member-at-Large

Brandon K. Hersey

Eden Mack

Liza Rankin

Lisa Rivera-Smith

ATTEST: _____
Denise Juneau, Superintendent
Secretary, Board of Directors
Seattle School District No. 1
King County, WA